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Cornhusker Economics

Cooperative Extension

Institute of Agriculture & Natural Resources
Department of Agricultural Economics
University of Nebraska – Lincoln

An Economic Development Strategy for Rural Nebraska: Recommendations from the Nebraska Rural Development Commission

Market Report	Yr Ago	4 Wks Ago	5/19/00
<u>Livestock and Products,</u>			
<u>Average Prices for Week Ending</u>			
Slaughter Steers, Ch. 204, 1100-1300 lb Omaha, cwt.	\$63.80	\$74.48	\$71.17
Feeder Steers, Med. Frame, 600-650 lb Dodge City, KS, cwt.	81.32	92.51	95.69
Feeder Steers, Med. Frame 600-650 lb, Nebraska Auction Wght. Avg.	82.50	99.45	96.45
Carcass Price, Ch. 1-3, 550-700 lb Cent. US, Equiv. Index Value, cwt.	100.50	116.90	114.55
Hogs, US 1-2, 220-230 lb Sioux Falls, SD, cwt.	35.00	49.00	47.50
Feeder Pigs, US 1-2, 40-45 lb Sioux Falls, SD, hd.	36.71	67.41	48.17
Vacuum Packed Pork Loins, Wholesale, 13-19 lb, 1/4" Trim, Cent. US, cwt.	111.00	125.60	113.30
Slaughter Lambs, Ch. & Pr., 115-125 lb Sioux Falls, SD, cwt.	85.25	*	103.00
Carcass Lambs, Ch. & Pr., 1-4, 55-65 lb FOB Midwest, cwt.	184.00	170.00	210.00
<u>Crops,</u>			
<u>Cash Truck Prices for Date Shown</u>			
Wheat, No. 1, H.W. Omaha, bu.	2.73	2.81	2.93
Corn, No. 2, Yellow Omaha, bu.	1.89	2.06	2.10
Soybeans, No. 1, Yellow Omaha, bu.	4.26	5.25	5.25
Grain Sorghum, No. 2, Yellow Kansas City, cwt.	3.21	3.54	3.75
Oats, No. 2, Heavy Sioux City, IA, bu.	1.27	*	1.31
<u>Hay,</u>			
<u>First Day of Week Pile Prices</u>			
Alfalfa, Sm. Square, RFV 150 or better Platte Valley, ton.	100.00	85.00	115.00
Alfalfa, Lg. Round, Good Northeast Nebraska, ton.	*	47.50	47.50
Prairie, Sm. Square, Good Northeast Nebraska, ton.	55.00	55.00	90.00

* No market.

Earlier this year the Nebraska Rural Development Commission released a report titled *Determining the Future of Rural Nebraska*. The stated goal of the report is "...to stimulate discussion, debate and consensus regarding what we should be doing locally, regionally, and at the state level and nationally to create our future for the next millennium." This 53 page report provides a wealth of information and ideas for anyone who is interested in the future of rural Nebraska.*

Before delineating the Commission's strategies for the future, the report provides some interesting and important background information that helps frame the various strategies and issues. Perhaps of most significance is the importance placed on 'the community.' Specifically, the report notes that:

"Economic development occurs in communities...Each community, groups of communities and entire regions must commit to creating a new future for themselves. No outside group can make development occur...While the development process must begin in community, individual places must be willing to redefine community...Area or regional development efforts are mandatory if adequate human, financial and technical resources are to be mobilized at necessary levels for successful development."

A significant portion of the Rural Development Commission report is dedicated to "...the 10 most likely rural economic development strategies that have proven to offer the greatest opportunity for building both strong local/area economies and healthy communities." A summary of each of these 10 strategies follow.

1. New Generation Agriculture. Traditional agriculture is likely to grow larger, more industrial and more corporate in nature. This trend means fewer family farmers and



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ranchers undermining the rationale for many smaller Nebraska villages. However, there is a new generation of agriculture rooted in family scale farming and ranching. Examples include direct marketing to consumers, community-based value-added activities, smaller-scale production systems that minimize expensive inputs, cooperatives and marketing alliances and incentives and programs targeted to 'beginning farmers.'

2. Information Age Development. Isolation and distance have always been barriers to the development of rural places. Railroads, telephones and modern highways have all eroded the disconnect between rural communities and the world. Emerging information technology offers possibly the greatest opportunity to forever mitigate isolation and distance as barriers to a prosperous rural future. Development strategies such as telework, electronic commerce, distance learning, telemedicine and others are creating new opportunities for rural America.

3. Entrepreneurial Development. The vast majority of rural Nebraskans are self-employed and have a long heritage of entrepreneurial spirit. Small business development, built on innovative ideas meeting specific market needs is a tradition in rural Nebraska that is enabling us to build a more diverse and thriving economy. Building on Nebraska's entrepreneurial heritage is a fundamental development strategy for the 21st century.

4. Residential Communities. One-third of all Nebraska rural communities are within commuting distance of urban places with strong economic growth offering employment opportunities. These communities have the opportunity to become residential communities to these job creation centers. The development of adequate housing in these communities is often the most important tactic for capitalizing on this locational advantage.

5. Retirement Communities. Retirement income is the second largest source of spending (after agriculture) in rural communities. Nearly every rural community can to some degree become a retirement community. Appropriate housing, health care services and a supportive environment can put this development strategy to work in hundreds of communities statewide.

6. Next Generation Tourism. Most of the world's people now live in congested cities. Urban residents are seeking peace and a change of pace through their recreational opportunities and rural is becoming their playground. While rural Nebraska is not traditionally seen as a tourism destination, it does not have the right stuff to meet the increasing needs for urban visitors.

7. Community Wealth Retention. Retail trade, services and local governmental functions all serve to generate additional cycles of economic activity through 'the multiplier effect.' The strength of this multiplier effect is

determined by how much of the spending by local residents occurs elsewhere (due to shopping patterns, catalogue sales, e-commerce, etc.). A central strategy for larger towns through first-class cities is the creation of thriving commercial districts and activities that captures local spending.

8. Cooperative Development. If any term characterizes rural Nebraska it is 'small.' Rural Nebraska has small communities, small enterprises and small workforces. Yet the world economy is increasingly being shaped by ever larger enterprises created through mergers and acquisitions. New generation cooperatives and other collaborative enterprise structures are enabling rural people to reach scale while maintaining desired independence. Cooperative development is helping rural Nebraskans create enterprises that can generate greater wealth and economic security through the timeless tradition of simply working together.

9. Targeted Economic Development. Some areas of Nebraska, such as the Indian Nations, lack the fundamental and necessary economic structure to provide meaningful work for area residents. There is a need and opportunity for a generation-long investment into developing industrial opportunities in these places enabling work for residents. There are no quick fixes with this strategy, but it is essential if areas with high unemployment and social problems, and areas with heavy depopulation are to be turned around and made economically viable.

10. Youth Retention and Development. There is no greater challenge facing rural Nebraska than attracting and retaining its youth. The primary export of rural communities since the turn of the century has been its youth. In times of economic and social crisis, the percentage of young people who leave rural communities is dramatic, often approaching 90-95 percent. There are no simple strategies that can be adopted that will solve this challenge - but there is a need to create a comprehensive strategy that will reverse this trend, providing rural Nebraska with the opportunity for a future.

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*Copies of *Determining the Future of Rural Nebraska* can be obtained from the Nebraska Rural Development Commission, 610 Atrium Building, 1200 N Street, Lincoln, NE 68508-2022; toll-free phone 877-814-4707; fax 402-471-8690; <www.nol.org/home/NRDC>.